

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of SOUTHERN CALIFORNIA WATER COMPANY (U 133-W), for an order pursuant to Public Utilities Code Section 851 Approving a Settlement Agreement that will Covey Water Rights in the Culver City Customer Service Area.

Application 02-07-021
(Filed July 11, 2002)

NOTICE OF EX PARTE COMMUNICATION

The Office of Ratepayer Advocates (ORA) submits this Notice in accordance with Rule 7.1 of the CPUC's Rules of Practice and Procedure.

The communication was between ORA, represented by Sung Han and Ting Yuen, and Tom Long, advisor to Commissioner Lynch. The communication was initiated by Mr. Sung Han, and consisted of an oral conversation on the morning of January 14, 2004 at approximately 10:00-10:30 a.m. in Mr. Long's office in the Commission's San Francisco building.

Mr. Han provided details on ORA's concerns with the Proposed Decision (PD); specifically, that Public Utilities Code Section 790 does not apply to the sale proceeds of the water rights and to the compensation received by Southern California Water Company (SCWC) from the City of Santa Monica as a part of the settlement to resolve the litigation regarding MTBE contamination of the Charnock Basin; and that the PD, if adopted, unfairly award shareholders the proceeds for the sale of the water rights and the compensation for the contaminated water, while burdening ratepayers with the high cost of purchased water resulting from the water rights sale and contamination.

Mr. Long requested the revenue impact of treating the sales proceeds and the compensation for wells and filtration plant as contribution in aid of construction as proposed by ORA. Mr. Han provided the attached spreadsheet showing the calculation of the revenue impact via email on January 15, 2004.

Copies of this Notice can be obtained by calling or sending e-mail to Rosario Espino at (415) 703-1858 (e-mail=mre@cpuc.ca.gov).

Respectfully submitted,

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